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SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS 01/11/08

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3) Prime Minister's Official Residence (Kantei)

Prime minister's schedule, January 10

NIKKEI (Page 2) (Full)

January 11, 2008

09:10

Met with Toyota Motors Chairman Fujio Cho and Acting Secretary General Hosoda at a restaurant at Grand Prince Hotel Akasaka.

10:28

Met with Cabinet Affairs Office Director General Chishiro.

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12:53

Met with Chief Cabinet Secretary Machimura.

13:00

Upper House Foreign Affairs and Defense Committee meeting.

16:10

Met with Deputy Foreign Minister Yachi, followed by Foreign Ministry Foreign Policy Bureau Director General Kawai, Defense Ministry Operational Policy Bureau Takamizawa and Assistant Deputy Chief Cabinet Secretary Yanagisawa.

17:24

Met with Machimura.

20:21

Returned his private residence in Nozawa.

4) New antiterrorism bill to be passed by two-thirds vote today;  
Resumption of refueling mission expected in February

MAINICHI (Top Play) (Excerpts)

January 11, 2008

The government's new antiterrorism bill to resume the Maritime Self-Defense Force's refueling mission in the Indian Ocean was voted down yesterday in the House of Councillors' Foreign Affairs and Defense Committee by an opposition-bloc majority. A counterproposal submitted by the Democratic Party of Japan (DPJ) was also rejected by a majority from the Liberal Democratic Party (LDP), the New Komeito, the Japanese Communist Party (JCP), and the Social Democratic Party (SDP). The new antiterror bill is expected to be voted down at an Upper House plenary session this morning, but the ruling camp will override and pass the bill at a plenary session of the House of Representatives this afternoon on the strength of its two-thirds majority. Defense Minister Shigeru Ishiba instructed the MSDF to start preparations to resume the refueling mission. The government will hold a cabinet meeting next week to approve it, with the aim of resuming the operation in mid-February.

In a question-and-answer session held in winding up the committee meeting yesterday, Prime Minister Yasuo Fukuda emphasized: "If other countries see the suspension of Japan's refueling mission was caused by the nation's political situation, they may change the way they look at Japan. Japan must resolutely resume the mission." The new antiterror bill is valid for only one year, so the government is considering the introduction of a permanent law to dispatch Self-Defense Force (SDF) troops overseas. Asked about permanent legislation, Fukuda responded to LDP member Ichita Yamamoto: "Such legislation will be important for the future. The issue will be discussed in the ruling camp. If there is an opportunity, we want to discuss it with the DPJ, too."

The DPJ continued to express its opposition to the new antiterrorism bill, with one lawmaker remarking: "The government has yet to fulfill its accountability for the past six years of the refueling mission." The JCP and the SDP take the view that the new antiterrorism bill is against the Constitution and should be scrapped. The two opposition parties also opposed the DPJ counterproposal, arguing that the bill would result in expanding the scope of the use of weapons by the SDF.

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5) Despite 90 hours of deliberations on new antiterrorism legislation over past three months, no in-depth discussion held

SANKEI (Page 5) (Excerpts)  
January 11, 2008

Hiroyuki Kano

The Upper House Committee on Foreign Affairs and Defense yesterday turned down the government-sponsored new antiterrorism special measures bill by a majority of votes from the major opposition Democratic Party of Japan (DPJ) and other opposition parties.

Discussion on the new antiterrorism bill aimed at allowing the Maritime Self-Defense Force (MSDF) to resume the refueling mission in the Indian Ocean began in last October, and nearly three months were devoted to debate on the bill. During that time, the old Antiterrorism Special Measures Law expired on Nov. 2. The old law was enacted after a total of 11 hours or so of deliberations in both chambers of the Diet during its extraordinary session in the fall of 2006, but the time spent for the debate on the new antiterrorism bill totaled some 90 hours. Despite that, no in-depth discussion occurred.

The correction of the amounts of fuel supplied by the MSDF to other countries' vessels and the bribery scandal involving suspect Takemasa Moriya (former Administrative Vice Defense Minister) are problems of great importance in terms of civilian control, an essential element for the mobilization of the Self-Defense Forces (SDF). Those problems in a way were related to the new antiterrorism bill. But at one point the DPJ put aside any discussion of the bill and instead stuck to the question of whether politicians joined a dinner with Moriya.

Meanwhile, the DPJ somehow cobbled together a counterproposal - a "special measures bill aimed at preventing international terrorism" -- and submitted it to the Diet. This was a good move because the relaxation of the weapons use standards included in the DPJ's bill could be an important point of an agreement (between the ruling Liberal Democratic Party (LDP) and the DPJ) in future debate on the creation of a permanent law aimed at dispatching the SDF abroad as needed. Prime Minister Yasuo Fukuda in his Diet replies yesterday referred to the question of such a permanent law: "Many of the DPJ seem to be in favor of such legislation. I want to discuss it fully and enact it."

The DPJ's counterproposal, however, according to Ichita Yamamoto, a House of Councilors member of the LDP, "Has a couple of bottleneck-like requirements that will prevent dispatching the SDF abroad," such as a cease-fire agreement between the Afghan government and the Taliban and a United Nations resolution,. At this point in time, the ruling and opposition parties remain wide apart.

6) Gov't to ready MSDF for refueling mission

NIKKEI (Page 2) (Abridged)  
January 11, 2008

A newly introduced refueling bill is now certain to get through the Diet today, and the government will ready the Maritime Self-Defense Force for an order to resume refueling activities in the Indian Ocean as soon as possible. The government had initially expected to

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send an MSDF supply ship in late February. However, the government now deems it possible to send it out in mid-February. Meanwhile, the bill is temporary legislation with a one-year time limit. The MSDF, depending on political developments, may pull out again around this time next year. The Middle East is seen to be gradually recovering its public security. However, there is no way to gauge how long the MSDF will have to remain on its mission there.

"If this mission does not continue, foreign countries would considerably change their view of Japan." With this, Prime Minister Yasuo Fukuda reiterated his resolve before the House of Councillors Foreign Affairs and Defense Committee in its meeting yesterday to resume MSDF refueling activities.

The government will likely call an ad hoc cabinet meeting on Jan. 16 to adopt an MSDF mission masterplan. The prime minister will confirm the masterplan, and then Defense Minister Shigeru Ishiba will issue orders through the commander-in-chief of the Self-Defense Fleet to dispatch a supply ship and a destroyer.

The MSDF will send two liaison officers to U.S. Naval Central Command Headquarters in Bahrain, where the United States, Britain, and other countries command their naval forces operating in the Indian Ocean, to coordinate refueling schedules.

The MSDF squadron will head for the Indian Ocean with a total crew of 300 to 400 onboard. Its mission there is expected to continue for a period of six months up until the end of July. A supply ship needs about two weeks to prepare to set sail. It will take about three weeks to arrive in the Indian Ocean from Japan. Accordingly, the MSDF's refueling will be in mid-February at the earliest.

In the meantime, the Foreign Ministry will exchange new official notes with Pakistan, the United States, Britain, France, Germany, and New Zealand to specify the MSDF's refueling mission for maritime interdiction operations.

7) Overshadowed by discussions on MOD scandals and permanent legislation, justification for resuming refueling operation remains unclear

TOKYO SHIMBUN (Page 2) (Excerpts)  
January 11, 2008

Substantive deliberations on the government-sponsored new antiterrorism legislation to resume the Maritime Self-Defense Force's refueling operation in the Indian Ocean ended with the House of Councillors Foreign Affairs and Defense Committee session yesterday. Overshadowed by a series of scandals, including one involving a former administrative vice-defense minister, even questions appeared about the option of enacting a permanent law enabling the country to dispatch the Self-Defense Forces on overseas missions as necessary, going beyond the realm of the new antiterrorism legislation. Did the deliberations on the legislation that started in both houses of the Diet in late October last year find the answer to the question of why Japan needs to resume the refueling operation?

Prime Minister Yasuo Fukuda, touching on deliberation time on the antiterrorism bill that was voted down by the Upper House Foreign Affairs and Defense Committee earlier yesterday, made the following comment to the press at the Prime Minister's Official Residence

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(Kantei) last night: "Sufficient time was devoted for asking questions and answering them. I think (the people) are now convinced that Japan must extend international cooperation."

As was indicated by the prime minister, total deliberation time exceeded 80 hours since the first discussion in the House of Representatives.

But in reality, with such matters as the scandal involving the former administrative vice-defense minister and reform of the Ministry of Defense (MOD) taking center stage, there was hardly any

time for penetrating question-and-answer sessions.

In yesterday's wrap-up interpellation session, two Democratic Party of Japan (DPJ) lawmakers asked the prime minister and others the significance of joining the war on terror and other matters. Their exchange of views on the refueling operation lasted only several minutes.

Although DPJ President Ichiro Ozawa insisted that the refueling mission not based on a UN resolution was unconstitutional, views remained wide apart.

There were heated debates over allegations that MSDF oil had been diverted for use in the Iraq war. The government, however, did not offer a clear-cut answer.

At the same time, public trust in MOD and the SDF has declined due to a series of improprieties, including the scandal involving the former vice-defense minister and the cover-up of the underreported fuel Japan supplied to a US supply ship.

In contrast to the low-keyed debate on the new refueling legislation, the subject of enacting a permanent law is gaining momentum.

In yesterday's committee session, the prime minister called for the DPJ's cooperation for enacting a permanent law, saying: "Many DPJ members seem to be in favor of (permanent legislation), so I want to see thorough discussion with (the party) to move the matter forward, if there is a chance."

Finding it difficult to manage the divided Diet, the prime minister is trying to use (the permanent legislation) for obtaining cooperation from the DPJ and for making it easier to dispatch the SDF on overseas missions in the future.

The government seems to be trying to push the overseas dispatch of the SDF further forward without offering a convincing explanation about the significance of the refueling operation. Such a stance would raise concern that the government might expand overseas dispatches gradually without conducting sufficient Diet debate.

8) Prime Minister Fukuda: There may be conditions under which SDF participation in ISAF dose not violate the Constitution

YOMIURI (Page 2) (Full)  
January 11, 2008

When asked about the Self-Defense Forces' (SDF) participation in the International Security Assistance Force (ISAF) in Afghanistan in a the House of Councillors Foreign Affairs and Defense Committee

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session, Prime Minister Yasuo Fukuda responded yesterday: "There may be situations under which the SDF's participation is not unconstitutional."

Fukuda pointed out: "In case (expected attacks are) sporadic terrorism, the SDF participation will not violate the Constitution." He was, however, negative about the participation at present, saying, "It is very difficult."

9) Japan, U.S., S. Korea should team up over North Korea's nukes:  
Lee

NIKKEI (Page 2) (Full)  
January 11, 2008

SEOUL-Former Prime Minister Yoshiro Mori from the ruling Liberal Democratic Party met with President-elect Lee Myung Bak yesterday in Seoul. In the meeting, Lee touched on North Korea's nuclear issues, saying: "Japan, the United States, and South Korea will need to cooperate in a steady way. We would like to cooperate with China, too." With this, Lee indicated that major countries should step up their cooperation. Mori said it would be significant to step up cooperation. Mori handed a letter from Prime Minister Yasuo Fukuda

seeking to strengthen future-oriented relations and asking Lee to visit Japan at an early date.

Referring to the nuclear issue of North Korea, Lee took the position that this is "very difficult" problem. Lee also indicated that he would endeavor to resolve it. In addition, he referred to Fukuda's visit to China in December last year and expressed his expectations for Japan's role in multilateral cooperation involving China. He also stressed that it would be important for Japan, China, and South Korea to cooperate in Asia.

10) Premier mulling South Korea visit next month: Mori meets President-elect Lee

SANKEI (Page 5) (Full)  
January 11, 2008

Seoul, Jiro Otani

Visiting South Korea as Prime Minister Yasuo Fukuda's special envoy, former Prime Minister Yoshiro Mori yesterday evening met with President-elect Lee Myung Bak at a Seoul hotel. They reached an agreement on an early resumption of reciprocal visits by their leaders and have talks. Coordination for Fukuda's visit to that nation to attend Lee's presidential inauguration in February will likely move ahead, following the agreement. They also agreed to promote cooperation among Japan, the U.S. and South Korea over North Korea's abduction and nuclear issues.

Mori handed over to Lee Fukuda's personal letter calling for future-oriented Japan-South Korea relations, Lee's early visit to Japan, and cooperation for regional peace and stability. He also told Lee: "South Korea is Japan's important neighbor, which shares such values as freedom, democracy and the market economy with it. Japan wants to create new bilateral relations with South Korea by all means."

Lee replied, "I want to strengthen a cooperative relationship with Japan on various issues." He also noted, "I would like Prime

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Minister Fukuda to visit South Korea at an early date. I want to show through mutual visits that our bilateral relations are in a good state." Lee is considering visiting Japan coinciding with the Lake Toya Summit in Hokkaido in July in order to resume reciprocal visits, which have been suspended since June 2005.

Regarding North Korea's abduction issue, Mori sought strengthened cooperation with South Korea. Lee underscored, "It is necessary for Japan, the U.S. and South Korea to closely cooperate with one another on this issue. Since gaps surfaced during the Roh Moo Hyun administration over an approach to the six-party talks to discuss North Korea's nuclear issue, the government wants to give a boost to efforts to settle the abduction issue with the launch of new administration in South Korea as the occasion.

11) Government to invite South Korean president-elect to Japan in May

NIKKEI (Page 2) (Full)  
January 11, 2008

The government is looking into offering South Korean president-elect Lee Myung Bak an invitation to Japan in May. The visit, if realized, will be the first Japan visit by a South Korean president since the one of Roh Moo Hyun in December 2004.

During his meeting with former Prime Minister Yoshiro Mori yesterday, Lee indicated his eagerness to resume annual reciprocal visits between the Japanese and South Korean leaders. Prime Minister Yasuo Fukuda is considering attending Lee's inauguration on Feb. 25. If both leaders visit each other's country in the three months after Lee assumes presidency, they will be able to underscore improvement in their bilateral ties.

The prime minister already invited Lee to visit Japan on the phone

when he was elected in December.

At a summit, both leaders are expected to discuss such issues as resumption of negotiations on concluding a free trade agreement (FTA), which suspended in 2004, and North Korea's nuclear development.

Reciprocal visits were initiated by Prime Minister Junichiro Koizumi and President Roh Moo Hyun, but the South Korean government ceased presidential visits to Japan in reaction to Koizumi's visits to Yasukuni Shrine

12) Experts propose comprehensive discussion on nuclear weapons at G-8 summit

YOMIURI (Page 2) (Full)  
January 11, 2008

A group of experts on nuclear weapons, energy and the environment has submitted to Foreign Minister Masahiko Koumura a proposal that a declaration to be produced at the July Group of Eight summit in Toya Lake, Hokkaido, include comprehensive efforts on nuclear weapons and nuclear power, including promotion of the use of nuclear energy and multinational control of nuclear fuel supplies.

The proposal was produced by a working panel, chaired by Tetsuya Endo, former ambassador to the International Organization in Vienna,

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of the Foreign Ministry-affiliated organization Japan Institute for International Affairs. Nonproliferation is expected to be a main topic of discussion at the upcoming G-8 summit. The panel insists that an in-depth discussion is necessary.

13) Prime minister to announce plan to set up ministerial post for consumer affairs, put off establishment of consumer agency

MAINICHI (Page 2) (Full)  
January 11, 2008

Prime Minister Yasuo Fukuda will announce in a policy speech at the outset of the ordinary Diet session to start on Jan. 18 that the government will establish a ministerial post responsible for consumer affairs in the Cabinet Office. Currently, various government agencies are in charge of consumer affairs administration. By setting up the new post, the prime minister aims to unify the administration. He will set forth the policy of placing emphasis on consumers, with an eye to the next House of Representatives election, taking into consideration public concern about the safety of food following a series of food-mislabeling scandals. The government intends to revise the Cabinet Office Establishment Law and define the authority of the minister for consumer affairs in the revised law during the ordinary Diet session, at the earliest. Some lawmakers were suggesting establishing a consumer agency, but the government has decided to put it off, based on the judgment that the government will be enlarged.

Even taking up only food labeling, there are a number of competent authorities, including the Health, Labor and Welfare Ministry (food sanitation), the Agriculture, Forestry and Fisheries Ministry (JAS), and Economy, Trade and Industry Ministry (illegal competition prevention).

When he visited Ise City, Mie Prefecture on Jan. 4, the prime minister, in reference to the mislabeling scandal involving "Akafuku," indicated eagerness for the idea of unifying the administration of consumer affairs, saying: "I am considering the introduction of a system to enable food problems to be resolved in a single responsible entity."

The envisioned minister for consumer affairs will take the lead in resolving in cooperation with government agencies such issues as food mislabeling, door-to-door sales, illegalities over standards for housing, and accidents caused by inferior goods.



On the idea of establishing a consumer agency, Chief Cabinet Secretary Nobutaka Machimura expressed his negative view, saying:

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"Even if the authorities concerned are unified, all problems will not necessarily be settled." Government agencies involved were also putting up resistance, fearing their authority might be reduced.

14) Another arbitrary act by the administrative reform minister on civil service reform, finds prime minister cautious about banning direct contacts between politicians and bureaucrats

MAINICHI (Page 5) (Excerpts)  
January 11, 2008

The government's panel established by former Prime Minister Shinzo Abe to look into comprehensive reform of the civil servant system

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(chaired by Toshiba Chairman Tadashi Okamura) is readying a draft report to be submitted to Prime Minister Yasuo Fukuda. The draft report includes an unusual proposal to prohibit national civil servants from making direct contacts with Diet members. Fukuda, however, took a cautious stance about such a recommendation. He told reporters yesterday: "I wonder whether right decisions on policies can be made without discussions with those officials in charge of such policy-making." Attention is now on how Administrative Reform Minister Yoshimi Watanabe will deal with the "homework left by the Abe government," following reform of the independent administrative institutions, which ended up as a half-baked plan.

Taichi Sakaiya, a panel member and former economic planning agency chief, drew up the recommendations. The draft report notes that only "parliamentary affairs specialists" would be allowed to make direct contact with lawmakers. The aim is to eliminate collusive ties between legislators and government officials. After the discovery of Lower House member Muneo Suzuki's pressure on the Foreign Ministry, the Koizumi government studied this idea in 2002, but it was not realized due to a fierce backlash from the Liberal Democratic Party (LDP).

A senior LDP Diet affairs committee member, who was briefed of it on Jan. 9, became enraged and said: "I cannot accept it." Some bureaucrats are suspicious about the aim and effects of the recommendations, with one government official saying, "The Diet's control over government offices might weaken instead." According to an individual connected with drafting the report, the panel notified on Watanabe and his aides of the contents of the draft report, but the secretariat of the administrative reform promotion headquarters was not informed. Watanabe proudly stated in a meeting yesterday: "A report is usually written by bureaucrats but the report this time around was not. It was a historic accomplishment." However, conflict will inevitably occur between Watanabe and the Prime Minister's Official Residence and the ruling camp as in the case of reform of the independent administrative institutions.

15) "Year for realizing change of government," notes DPJ's final draft of action policy

SANKEI (Page 5) (Excerpts)  
January 11, 2008

The final draft of the Democratic Party of Japan's (DPJ or Minshuto) action policy for fiscal 2008 was revealed yesterday. The draft characterizes 2008 as a year to realize a change of government by forcing the Fukuda administration to dissolve the Lower House for a snap election. The DPJ will adopt this policy at a regular party convention to be held in Yokohama on Jan. 16.

Regarding the next election, the draft notes that the party will hurry to field candidates who can win, establish an intensive assistance system by selecting target constituencies, and promote cooperation among opposition parties.

The draft also indicates the party's determination to further expand support in rural areas, which it gained in the Upper House election

last year. The package also includes a policy of strengthening support in urban areas, noting that the overall outcome of the Lower House election intensively reflects results in urban areas.

16) Prime Minister Fukuda to announce during Diet policy speech plan

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to provide 1 trillion yen in assistance to developing countries for anti-global warming measures (Asahi)

ASAHI (Page 1) (Excerpts)  
January 11, 2008

The government has firmed up its intention to make as the main pillar of its policy to deal with global warming, a major agenda item at the July G8 Summit at Lake Toya in Hokkaido, financial assistance totaling approximately \$10 billion dollars over five years to aid those developing countries that will back Japan's efforts. Such countries as Indonesia, Tanzania, and Tuvalu will be picked as initial subject countries, and focused policy discussions will start this February.

Prime Minister Fukuda is thinking of announcing the plan in his Diet policy speech on Jan. 18 and at the annual Davos Conference late this month, which he is planning to attend. Consideration is being given to cooperating with England and other countries that have announced the formation of an environmental change fund in order to lessen the adverse impact on developing countries from global warming, and a new fund might be created.

The program would be separated into three parts: 1) measures leading to reducing greenhouse gases; 2) measures for developing countries to ease the adverse effects from global warming; and 3) measures to make energy use easier for people in the poorest countries.

DONOVAN